

Dear Colon Mine neighbor,

Duke Energy is committed to permanently and safely closing ash basins at its coal plants, and we've already begun work at three of our Carolinas sites. We have updated our safe basin closure plans to include excavating coal ash from an additional 12 basins in North Carolina in ways that protect people and the environment. I want to take a moment to update you on this plan and plans for the Colon Mine in Sanford.



Overview of Duke Energy's ash management strategy: Science and engineering have driven our closure plan development, in response to the aggressive mandates and deadlines imposed by North Carolina's Coal Ash Management Act (CAMA), approved by the state General Assembly last fall. We also relied on significant input from the nation's best independent experts, including a national advisory panel. Our closure strategy also complies with CAMA and new federal Coal Combustion Residuals (CCR) rules.

While these basins continue to operate safely, they are not suited for long-term storage of coal ash or will not comply with strict new state and federal regulations. These recommendations are subject to public input and necessary approvals from state regulators and North Carolina's Coal Ash Management Commission.

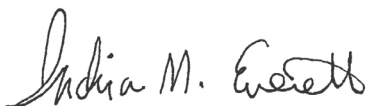
Plans for the Colon Mine: As you may know, we plan to store coal ash in a fully lined structural fill at the Colon Road Mine, which will allow the land to potentially be reused for other purposes in the future. Current plans call for ash from the H.F. Lee Plant in Goldsboro, N.C., and the Weatherspoon Plant in Lumberton N.C., to be stored at the mine.

Timelines and methods for transporting ash from these sites are still being determined. We will share specifics about transportation, schedules and other activities at the site in the coming weeks and throughout the process.

Ash will be placed in a series of liners, with the top and bottom impermeable liners being heat-welded to fully enclose the ash. The completed structural fill will be covered with soil. This project will meet all state and federal standards for a structural fill, including groundwater monitoring and reporting.

We are committed to keeping you updated throughout the ash basin closure process. If you would like more information about the mine project or about our strategy for safely managing coal ash in the Carolinas, visit duke-energy.com/SafeBasinClosure or feel free to email us at CoalAshQuestions@duke-energy.com. If you'd like to discuss the plan with me, please feel free to call me at 919.687.3200 or email me at Indira.Everett@duke-energy.com.

Sincerely,



Indira Everett
District Manager